MULTI-FAMILY REAL ESTATE FIRST MORTGAGE LOANS – Whole Loans and Participations
This Eligibility Checklist assists pledgors who have executed the appropriate Advances, Pledge and Security Agreement in determining eligibility of loans for pledging to FHLB Des Moines. A "**NO**" answer indicates the loan is not eligible under FHLB Des Moines guidelines.

GE	GENERAL ELIGIBILITY	YES	NO
	The requirements of this checklist are specific to the collateral type shown above. Certain Eligible Member Collateral requirements are common to **ALL** pledged loan collateral as identified in Collateral Procedures. The preparer should have familiarity prior to proceeding with eligibility determination via this checklist. For ease, a summation of these requirements is provided: General Eligibility Checklist.		

PN	PROMISSORY NOTE	YES	NO
1.	**Note Execution**: Executed with proper signatories and capacities as authorized by any applicable borrowing resolution/other authority.		
2.	**Loan Terms**: Matures and requires principal & interest payments to amortize the loan within a 40 year term or less (measured from first payment date following origination or last modification).		
3.	**Disbursement**: Loan is fully disbursed and non-revolving.		
4.	**Whole Loans and Participations:** Loans must be reported properly based on ownership of the loan. All Participation loans must meet the requirements found in the Participation Loan Guidelines. (Note: A 100% participation purchased is a purchased participation and is not a whole loan). • Whole Loan: The loan is not participated and is reported in type code 1109. • Retained Participation: The loan is reported in type code 1470. • Purchased Participation: The loan is reported in type code 1570.		

SI	SECURITY INSTRUMENT: Mortgage (or Deed of Trust) and/or Security Agreement	YES	NO
1.	**Security Instrument Existence:** Note is secured with an unexpired mortgage recorded in the proper jurisdiction. Recorded mortgage or a copy of is in file. Loan disbursements are supported by the security instrument type (e.g. closed end, future advance).		
2.	**Note Security:** Mortgage (or collateral property) is linked to/cited as security for subject note.		
3.	**Secured Party Citation**: Mortgage directly cites member (or pledgor on behalf of member) as secured party or via recorded assignment.		
4.	**Instrument Execution**: Mortgage is properly executed and acknowledged: • By all title holders/owners of record including spouses if required by state law (fractional undivided interests not acceptable). If title is vested in a former name, affidavit of identity or similar notation on mortgage required. • Non-natural persons: Executed by and in proper capacity(s) per authorizing documentation. • 3rd Party Pledge/Secured Guarantee/Hypothecation Agreement: Executed by and in proper capacity(s) and acknowledged as security for subject loan or borrower. • Mortgage notarized acknowledging signers in proper capacity.		
5.	**Secured Debt Amount**: Amount equals or exceeds loan's current unpaid principal balance (UPB).		
6.	**Assumptions:** For assumed loans, executed assumption agreement is recorded.		

LV	LIEN VERIFICATION	YES	NO
1.	**Lien Search Existence**: Evidenced lien search of the encumbered property (e.g. title policy, attorney's opinion, O&E/title report, or detailed internal lien search).		
2.	**Lien Search Date and Quality**: Lien search is dated on or after recording date and confirms: Execution by all titleholders, legal description of encumbered property, recordation, and lien position (lien search must assess all potential prior liens). • **Loans originated within six months of Collateral Reporting Date**: File evidences at a minimum, a pre-closing lien search while required post-closing lien search is pending.		

3.	**Lien Position:** Lien search cites subject mortgage as **first** lien:
	• Prior Liens: If lien search does not cite subject mortgage as first lien, file documents recorded satisfactions, subordinations, releases or title insurance endorsement ensuring a first lien position.
	  • Property must not be subject to unreleased prior nonmortgage liens or unsubordinated contracts.
	  • For loans without post closing lien search if permitted per LV.2 above (i.e. Loans originated within six months of Collateral Reporting Date), pay-off documentation of prior liens ensuring requisite lien position is acceptable to demonstrate prior lien satisfaction.
	• Property Taxes/Other Subsequent Liens: Taxes and assessments not past due one year or more. Security Interest not subordinated to Property Assessed Clean Energy (PACE) or other liens.
	• Prior Ground Leases: Mortgages primed by ground lease not eligible unless recorded ground lease subordination or Non-Disturbance and Attornment Agreement executed by lessor.
	• Leasehold Mortgage: File evidences lessor consent, leasehold interest property valuation and lease maturity equal ≥ note maturity. Assignments of leasehold interests are not eligible.		

CV	COLLATERAL CONDITION, PURPOSE and VALUATION	YES	NO
1.	**Collateral Property Type, Purpose and Conditions**: Secured by a multi-family property located in the U.S. or its territories used for multi-family residential purposes. • Mixed Use Property: Value of multi-family property > 50% of total property value. • Condition/Use/Occupancy: Property is not deteriorated, contains unremediated recognized environmental conditions or used (including via leasing rights) for matters which imperil value or encumbrance. Use is lawfully permissible by all federal, state and local regulations. Property is not currently vacant (entire multi-family property). • Property Insurance: Loans with UPB ≥ $5,000,000, file evidences property insurance for benefit of pledgor with coverage sufficient for the improved property. • Ineligible Property Type: Not land in development or other ineligible collateral type listed in Collateral Procedures: Section 2.2.		
2.	**Valuation Existence and Requirements**: Depository Members: File evidences property valuation in compliance with member's regulatory requirements. Nondepository Members: Certified appraisal is required unless prior arrangements have been agreed. • Newly constructed properties: Verification of construction completion to original plans and specs. • Subsequent partial releases: File evidences remaining collateral value. • Non-Appraisal Valuation: Internal evaluations compliant with *Interagency Appraisal and Evaluation Guidelines Appendix B - Evaluations Based on Analytical Methods or Technological Tools*: Tax Assessment Value (TAVs) supported by regulatory required market value correlation analysis. Automated Valuation Model (AVMs) supported by required model validation.		
3.	**Qualifying LTV**: ≤85% (see General Eligibility Checklist for QLTV definition).		

OL	OTHER LIMITATIONS	YES	NO

1. **Income Producing Property Cash Flow:** Loans with UPB ≥ $5,000,000, file evidences current positive cash flow assessment demonstrating ability to repay if loan did not cash flow at origination.		

Loan is eligible for pledging as Multi-Family Real Estate First Mortgage Loan collateral:	**YES**	**NO**
Completed By/Date:		